

KELANI TYRES PLC

(Reg: No. PQ 123)

INTERIM FINANCIAL STATEMENTS

FOR THREE MONTHS ENDED JUNE 30, 2022



Corporate Office
203, Union Place
Colombo 02.

KELANI TYRES PLC AND ITS GROUP

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Apr. -Jun.		Apr. - Jun.	
	2022 <i>(Un audited)</i>	2021 <i>(Audited)</i>	2022 <i>(Un audited)</i>	2021 <i>(Audited)</i>
Revenue	212	47,247	-	47,043
Direct costs	(219)	(44,184)	-	(43,965)
Gross margin	(6)	3,063	-	3,078
Other operating income	1,695	1,741	1,695	1,741
Administrative costs	(6,929)	(5,437)	(6,923)	(5,431)
Management Expenses	(10,536)	(10,220)	(10,536)	(10,220)
Depreciation	(4,375)	(4,360)	(4,375)	(4,360)
Operating profit	(20,152)	(15,212)	(20,139)	(15,192)
Finance Income	9,306	5,759	9,306	5,759
Finance costs	(4,588)	(1,546)	(4,588)	(1,546)
Profit/(Loss) before tax	(15,433)	(10,999)	(15,421)	(10,979)
Tax	-	-	-	-
Profit/(Loss) after tax	(15,433)	(10,999)	(15,421)	(10,979)
Share of results of JV	313,430	194,697	-	-
Profit/(Loss) for the period	297,996	183,698	(15,421)	(10,979)
Other comprehensive income:	-	-	-	-
Items that will not be reclassified to profit or (loss)				
Share of other comprehensive - -Income/expenses from Joint Venture	(2,977)	(638)	-	-
Total comprehensive income - -for the period, net of tax	295,020	183,060	(15,421)	(10,979)
Earning per share (for the period)	3.71	2.28	(0.19)	(0.14)

KELANI TYRES PLC AND ITS GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	30-06-2022 (un-audited)	31-03-2022 (Un-audited)	30-06-2022 (un-audited)	31-03-2022 (Un-audited)
ASSETS				
Non-current assets				
Property, plant and equipment	35,709	38,118	38,201	40,391
Investment Property	559,500	559,500	559,500	559,500
Investments in subsidiaries	-	-	10	10
Investment in JV	5,601,658	5,291,205	139,607	139,607
	6,196,867	5,888,823	737,318	739,508
Current assets				
Trade and other receivables	370,915	432,962	370,703	432,763
Income Tax Refund	4,315	4,315	3,712	3,712
Financial assets at fair value through profit or loss	242,402	242,402	242,402	242,402
Cash and cash equivalents	67,390	99,065	63,920	95,787
	685,022	778,744	680,737	774,665
Total assets	6,881,889	6,667,567	1,418,055	1,514,173
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Stated capital	402,000	402,000	402,000	402,000
Revaluation reserves	24,691	24,691	24,691	24,691
Other reserves	801,127	801,127	-	-
Retained earnings	5,476,456	5,181,436	813,866	829,286
Total equity	6,704,275	6,409,255	1,240,557	1,255,977
Non - current liabilities				
Borrowings	833	833	833	833
Retirement benefit obligations	7,265	7,265	7,265	7,265
	8,098	8,098	8,098	8,098
Current liabilities				
Trade and other payables	68,558	152,611	68,441	152,495
Borrowings	7,500	10,000	7,500	10,000
Bank Overdraft	93,459	87,603	93,459	87,603
	169,516	250,214	169,400	250,098
Total liabilities	177,615	258,312	177,498	258,196
Total equity and liabilities	6,881,889	6,667,567	1,418,055	1,514,173
Net Asset Value Per share	83.39	79.72	15.43	15.62

I certify that these financial statements have been prepared in compliance with requirements of the Companies Act, No. 07 of 2007.

Sgd

P. R. Mann

Finance Officer

The Board of Directors is responsible for the preparation and presentation of these Financial statements.

Sgd

Rohan T. Fernando

Managing Director

29th July 2022

Sgd

(Mrs). S. S Jayatilaka

Director

KELANI TYRES PL AND ITS GROUP**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(all amounts in Sri Lanka Rupees Thousands)

Company

	Stated capital	Revaluation Reserve	Other Reserve	Retained Earnings	Total
Balance at 1 April 2021 (audited)	402,000	24,691	-	666,072	1,092,763
Profit for the Period	-	-	-	(10,979)	(10,979)
Balance at 30th Jun. 2021 (audited)	402,000	24,691	-	655,093	1,081,784
Balance at 1 April 2022 (Un-audited)	402,000	24,691	-	829,286	1,255,977
Profit for the Period	-	-	-	(15,421)	(15,421)
Balance at 30th Jun. 2022 (Un-audited)	402,000	24,691	-	813,866	1,240,557

KELANI TYRES PL AND ITS GROUP**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(all amounts in Sri Lanka Rupees Thousands)

Group

	Stated capital	Revaluation Reserve	Other Reserve	Retained Earnings	Total
Balance at 1 April 2021 (audited)	402,000	24,691	801,127	4,762,087	5,989,905
Profit for the Period	-	-	-	183,698	183,698
Other comprehensive income	-	-	-	(638)	(638)
Balance at 30th Jun. 2021 (audited)	402,000	24,691	801,127	4,945,147	6,172,965
Balance at 1 April 2022 (Un-audited)	402,000	24,691	801,127	5,181,436	6,409,255
Profit for the Period	-	-	-	297,996	297,996
Other comprehensive income	-	-	-	(2,977)	(2,977)
Balance at 30th Jun. 2022 (Un-audited)	402,000	24,691	801,127	5,476,456	6,704,275

KELANI TYRES PLC AND ITS GROUP

Cash flow statement

(all amounts in Sri Lankan Rupees thousands)

	Three months ended 30th Jun. 2022		Three months ended 30th Jun. 2021	
	Group	Company	Group	Company
Cash flows from operating activities				
Cash generated from (used in) operations	(37,565)	(37,757)	(7,671)	(7,734)
Interest received	9,306	9,306	5,759	5,759
Interest paid	(4,588)	(4,588)	(1,546)	(1,546)
Gratuity paid	-	-	(404)	(404)
Net cash generated from (used in) operating activities	(32,846)	(33,039)	(3,862)	(3,925)
Cash flows from investing activities				
Purchases of property, plant and equipment	(2,185)	(2,185)	-	-
Net cash (used in)/generated from investing activities	(2,185)	(2,185)	-	-
Cash flows from financing activities				
Change in Bank borrowings	(2,500)	(2,500)	(2,500)	(2,500)
Net cash (used in)generated from financing activities	(2,500)	(2,500)	(2,500)	(2,500)
Net (decrease)/increase in cash and cash equivalents	(37,531)	(37,724)	(6,362)	(6,425)
Movement in cash and cash equivalents				
At the start of period	11,462	8,185	337,814	334,836
(Decrease)/increase	(37,531)	(37,724)	(6,362)	(6,425)
At the end of period	(26,069)	(29,539)	331,452	328,411

KELANI TYRES PLC AND ITS GROUP**NOTES TO THE INTERIM FINANCIAL STATEMENTS:***(all amounts are in Sri Lanka Rupees thousands)***1 General Information****Company**

The company is a limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of its registered office is P.O.Box 8, Nungamugoda, Kelaniya.

Group

Joint Venture (JV):

The JV's principal activity is the manufacture of tyres and tubs locally and its sale thereof locally and internationally.

Subsidiary company:

The principal business activity is to hire out motor vehicles.

2 Basis of preparation

The Interim Financial Statements have been prepared in compliance with Sri Lanka Accounting Standard (LKAS-34) Interim Financial reporting. These interim financial statements should be read in conjunction with the annual financial statement for the year ended 31 Mar. 2022.

3 Significant Accounting Policies

The Company has adopted consistent accounting policies and method applied for the year ended 31st March 2022 and the presentation and classification of the financial statements of the previous year have been amended where relevant for better presentation and to be comparable with those of the current year.

4 Stated Capital

Stated Capital represented by issued shares is given below:

	6/30/22	6/30/21	3/31/22
Ordinary shares as at	80,400	80,400	80,400

5 There have been no other events subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statements.

6 Provision was made for taxation by joint venture CEAT SRI LANKA as follows:

	Rs.
Profit before Tax JV	814,861,345
Less: Provision for Tax	(188,001,610)
Profit after Tax	626,859,736

7 There were no Contingent Liabilities or Contingent Assets since the Balance Sheet date.

8 There were no Liability towards Management fee or any similar expenditure not provided for in the Interim Financial Statements.

9 Dividend per share

	Group		Company	
	6/30/22	6/30/21	6/30/22	6/30/21
Dividend received from the JV	Nil	Nil	Nil	Nil
Dividend declared & paid to shareholders	Nil	Nil	Nil	Nil
Number of shares in issue (thousands)	80,400	80,400	80,400	80,400
Dividend per share - (Rs.)	Nil	Nil	Nil	Nil

10 The figures have been presented in these financial statements are provisional and subject to audit, and also comparative figures have been reclassified where necessary.

11 Market price per share:

for the Three months ended 30th Jun.

	2022	2021
	Rs.	Rs.
Highest Price (06/04/22 & 16/04/21)	60.00	91.00
Lowest Price (27/04/22 & 01/04/21)	36.00	77.50
Last Traded Price	45.40	84.30

KELANI TYRES PLC
TOP 20 SHARE HOLDERS LIST
AS AT 30-06-2022

No.	Name	No of Shares	%
1	SILVERSTOCK LIMITED	36,975,523	45.989
2	BANCK OF CEYLON A/C CEYBANK UNIT TRUST	6,123,886	7.617
3	MR. H. M. UDESHI	4,529,855	5.634
4	EMPLOYEES TRUST FUND BOARD	2,835,639	3.527
5	MR. R. C. D. DE SILVA	1,801,104	2.240
6	EMPLOYEE'S PROVIDENT FUND	1,553,800	1.933
7	BANK OF CEYLON ACCOUNT CEYBANK - CENTURY GROWTH FUND	1,011,585	1.258
8	SEYLAN BANK PLC/JANASHAKTHI CAPITAL LTD	728,285	0.906
9	MRS. T. T. A. DE SILVA WEERASOORIYA	622,612	0.774
10	MOULDEX (PVT) LTD	600,000	0.746
11	MR D.K. A.K WEERATHUNGA	579,050	0.720
12	MR N. PUSPARAJ & MRS K. PUSPARAJ	550,000	0.684
13	ACUITY PARTERS (PVT) LTD/MR SUBRAMANIAM VASUDEVAN	483,392	0.601
14	ARUNA ENTERPRISES(PVT) LTD	437,600	0.544
15	MR. S. VASUDEVAN	432,285	0.538
16	MR. H. S. GUNASEKERA	386,387	0.481
17	DR T. SENTHILVERL	379,212	0.472
18	SANASA LIFE INSURANCE COMPANY LTD(LIFE)	355,000	0.442
19	MR. B POBRAN	350,240	0.436
20	RANSIRI ENTERPRISES (PRIVATE) LIMITED	310,000	0.386

PUBLIC HOLDING

The percentage of shares held by the public as at 30th June 2022 is 51.73% comprising of 9,676 shareholders
(30th June 2021 - 51.760% comprising of 9,376 shareholders)

FLOAT ADJUSTED MARKET CAPITALIZATION AS AT 30TH JUNE 20222 - RS. 1,888,225,952/00

The Company is in compliance with Option 5 of Section 7.141 (a) of the Listing Rule of the Colombo Stock Exchange pertaining to minimum public holding.

SHARE HOLDINGS BY THE DIRECTORS AS AT 30TH JUNE 2021

Names of Directors	No of Shares as at 30th Jun. 2022	%
Mr. Chanaka De Silva	1,801,104	2.240%
Mr. Rohan T. Fernando	Nil	
Mr. T. Bevan Perera	1920	0.002%
Mr. D. S. Kamantha Amarasekera	Nil	
Mrs. S. S. Jayatilaka	240	0.000%
Mr. Eraj T. Fernando	Nil	
Mr. R. P. Weerasooria	Nil	

KELANI TYRES PLC AND ITS GROUP

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont.):

Joint Venture Performance

The assets and liabilities and the income and the expenses of the Joint venture as follows:

Summarised Financial Position

	30-06-2022	30-06-2021
Non-Current Assets	7,452,383	7,000,191
Current Assets	12,536,225	8,673,962
Total Assets	19,988,608	15,674,153
Capital and Reserves	11,203,317	10,457,348
Non-Current Liabilities	1,526,668	1,350,145
Current Liabilities	7,258,623	3,866,659
Total Equity & Liabilities	19,988,608	15,674,153

Summarised Income Statement

	2022 Apr. to Jun.	2021 Apr. to Jun.
Production (MT)	3,753	4,470
Total Sales (MT)	3,505	4,589
Domestic Sales	4,723,717	3,307,958
Export Sales	169,468	136,546
Total Sales	4,893,185	3,444,504
Cost of Sales	(3,100,660)	(2,712,570)
Gross Profit	1,792,525	731,934
Distribution/Administrative Cost	(1,084,085)	(287,836)
Finance Cost less income	92,685	32,292
Other Operating Income	13,736	2,933
Profit Before Tax	814,861	479,323
Taxation	(188,002)	(89,929)
Profit for the period	626,860	389,394
Other Comprehensive income/(Expenses)	(5,953)	(1,276)
Total Comprehensive income	620,906	388,118